

# DOLLAR

*Wise*



## The State of Connecticut 403(b) Program



**W**elcome to the first online issue of **Dollar**

**Wise!** These quarterly newsletters will no longer be

mailed to your home, so be sure to keep an eye out for

these online versions. In this issue, we will focus on a

very important advantage of saving through plans like

the State of Connecticut 403(b) Program called "dollar

cost averaging." To learn more about this investment

concept, and how it can benefit you, please read on.

*Nancy Wyman*

## How it Can Work for You

# Dollar Cost Averaging

**D**ollar cost averaging is an investment strategy that can help protect investors against market risk. When you contribute to the State of Connecticut 403(b) Program, you invest a fixed amount of money at regular intervals through payroll deductions. When you invest in this manner, you buy more shares when the price is low and fewer shares when the price is high. Over time, this approach smoothes out price fluctuations in the share price. As a result, you don't have to try to "time" the market — that is, buy when share prices are low and sell when they are high. Timing the market is very difficult to do effectively, even for experienced investors.



**Keep in mind** that the maximum annual contribution limit for 2004 is \$13,000, so you may want to consider increasing your Program contributions. Also, if you will be at least age 50 by December 31, 2004, you may be eligible to contribute an extra \$3,000 in Special Age 50 Catch-Up Contributions.



As a participant in the State Program, you automatically use dollar cost averaging because you are investing the same amount of money in the Program each pay period. To see how this investment method benefits you, let's look at two examples. In the first example, you don't use dollar cost averaging. Instead, you purchase 100 shares on the 15th day of every month for 12 months. At the end of the year you would have 1,200 shares at an average price per share of \$4, as shown below.

Let's look at what happens if you invest the same amount of money over the same period of time using dollar cost averaging. If you invest the same amount of money over 12 months, you would invest \$400 per month (\$4,800 divided by 12). Using dollar cost averaging, the average price per share is \$3.49. For the same \$4,800 per year, you purchased 177 more shares!

		Without Dollar Cost Averaging		With Dollar Cost Averaging	
Date	Price/Share	Shares Purchased	Cost	Shares Purchased	Cost
January 15	\$ 2	100	\$ 200	200	\$ 400
February 15	\$ 4	100	\$ 400	100	\$ 400
March 15	\$ 3	100	\$ 300	133	\$ 400
April 15	\$ 5	100	\$ 500	80	\$ 400
May 15	\$ 4	100	\$ 400	100	\$ 400
June 15	\$ 3	100	\$ 300	133	\$ 400
July 15	\$ 5	100	\$ 500	80	\$ 400
August 15	\$ 7	100	\$ 700	57	\$ 400
September 15	\$ 5	100	\$ 500	80	\$ 400
October 15	\$ 2	100	\$ 200	200	\$ 400
November 15	\$ 5	100	\$ 500	80	\$ 400
December 15	\$ 3	100	\$ 300	133	\$ 400
<b>Total</b>		<b>1,200</b>	<b>\$4,800</b>	<b>1,377 *</b>	<b>\$4,800</b>
<b>Average Price Per Share</b>			<b>\$ 4.00</b>		<b>\$ 3.49</b>

Dollar cost averaging can be a valuable investment strategy because it eliminates subjective decisions about when is the “best” time to buy a particular stock or other investment. In addition, as shown in this example, dollar cost averaging can help reduce the average price you pay per share over time.

\* Shares have been rounded.

# Fund Changes

The following funds will be replaced in the near future:

- ♦ **The Hartford:** Janus Adviser Worldwide, Invesco Financial Services, Invesco Leisure and Invesco Small Company Growth
- ♦ **Travelers Life & Annuity:** Putnam VT International Growth - IB and Putnam VP Small Cap Value - IB

If you invest in any of these funds, you will receive more information from your financial services organization (fso). If you have any questions, please contact your fso directly at the numbers provided below.



Financial Services Organization	Contact Number	Website Address
Fidelity Investments	(800) 343-0860	<a href="http://www.fidelity.com">www.fidelity.com</a>
The Hartford	(800) 243-5868 press option 1	<a href="http://www.retire.hartfordlife.com">www.retire.hartfordlife.com</a>
ING Financial Advisers, LLC	(800) 784-6386	<a href="http://www.ingretirementplans.com">www.ingretirementplans.com</a>
Oldham Resource Group	(800) 626-6106	<a href="http://www.oldham-mutual.com">www.oldham-mutual.com</a>
TIAA-CREF	(888) 842-5350 on weekdays	<a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a>
	(800) 842-2888 on weekends	
Travelers Life & Annuity	(800) 842-4015	<a href="http://www.travelerslife.com">www.travelerslife.com</a>

**Important Note:** The information presented in this newsletter is not intended as investment advice. Its purpose is to help you understand the investment choices available through the State of Connecticut 403(b) Program. Your financial strategy and investment choices are entirely your own and should reflect your personal needs and circumstances.

State of Connecticut personnel, including the Human Resources Department staff, cannot provide investment advice. For more information, you may want to consult with a professional financial advisor.

The investment information shown is current as of December 31, 2003.

# Comparison of Investment Options for the Connecticut 403(b) Program

Performances and Expenses as of December 31, 2003

FIDELITY INVESTMENTS								
		Return on Investments (net of expenses)*			Operating Expenses			
Level of Risk	Investment Options	10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E	Management Fees	Other Expenses	Total Expenses
Low	Fidelity Retirement Money Market**	0.19%	0.89%	2.16%	0.000%	0.420%	0.000%	0.420%
	<b>91-Day Treasury Bills</b>	<b>0.23%</b>	<b>1.01%</b>	<b>1.97%</b>				
	Fidelity U.S. Bond Index Fund**	0.54%	4.91%	7.72%	0.000%	0.320%	0.000%	0.320%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
Medium	Fidelity Balanced	9.94%	28.24%	6.26%	0.000%	0.440%	0.260%	0.700%
	Fidelity Puritan	10.17%	22.20%	3.65%	0.000%	0.440%	0.220%	0.660%
	<b>60% S&amp;P 500 + 40% LBAGG Index</b>	<b>7.34%</b>	<b>18.47%</b>	<b>0.95%</b>				
	Fidelity Capital & Income	6.56%	39.13%	9.73%	0.000%	0.540%	0.250%	0.790%
	<b>ML US High Yield Master Trust II</b>	<b>5.94%</b>	<b>28.15%</b>	<b>9.52%</b>				
	Fidelity Equity-Income	14.38%	29.96%	0.75%	0.000%	0.480%	0.240%	0.720%
	<b>Russell 3000 Value Index</b>	<b>14.35%</b>	<b>31.14%</b>	<b>2.09%</b>				
	Fidelity Growth & Income	9.33%	19.01%	- 4.03%	0.000%	0.490%	0.240%	0.730%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 4.05%</b>				
High	Fidelity Blue Chip Growth	9.61%	24.80%	- 8.04%	0.000%	0.440%	0.270%	0.710%
	Fidelity Independence	9.88%	23.66%	- 8.84%	0.000%	0.470%	0.220%	0.690%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				
	Fidelity Contrafund	11.34%	27.95%	0.36%	0.000%	0.810%	0.220%	1.030%
	Fidelity Dividend Growth	10.19%	23.36%	- 1.88%	0.000%	0.780%	0.270%	1.050%
	Fidelity Magellan	10.85%	24.82%	- 5.58%	0.000%	0.560%	0.210%	0.770%
	Fidelity Spartan U.S. Equity Index**	12.14%	28.50%	- 4.20%	0.000%	0.190%	0.000%	0.190%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 4.05%</b>				
	Fidelity Diversified International	15.19%	42.38%	3.93%	0.000%	0.900%	0.340%	1.240%
	<b>MS EAFE Index</b>	<b>17.11%</b>	<b>39.17%</b>	<b>- 2.57%</b>				
	Fidelity Growth Company	9.54%	41.36%	- 11.10%	0.000%	0.550%	0.280%	0.830%
	<b>Russell 3000 Growth Index</b>	<b>10.58%</b>	<b>30.97%</b>	<b>- 8.84%</b>				
	Fidelity Low-Priced Stock	13.88%	40.85%	18.74%	0.000%	0.770%	0.260%	1.030%
	<b>Russell 2000 Value Index</b>	<b>16.37%</b>	<b>46.03%</b>	<b>13.83%</b>				
	Fidelity Mid-Cap Stock	12.26%	33.26%	- 5.60%	0.000%	0.450%	0.240%	0.690%
	<b>Russell Midcap Index</b>	<b>13.97%</b>	<b>40.06%</b>	<b>3.47%</b>				
	Fidelity New Millennium	13.35%	37.31%	- 3.43%	0.000%	0.580%	0.220%	0.800%
	<b>Russell Midcap Growth Index</b>	<b>12.16%</b>	<b>42.71%</b>	<b>- 6.13%</b>				
	Fidelity Small Cap Stock	17.30%	45.04%	9.17%	0.000%	0.810%	0.320%	1.130%
	<b>Russell 2000 Index</b>	<b>14.52%</b>	<b>47.25%</b>	<b>6.27%</b>				
	Fidelity Value	14.26%	34.43%	11.05%	0.000%	0.740%	0.260%	1.000%
	<b>Russell Midcap Value Index</b>	<b>15.22%</b>	<b>38.07%</b>	<b>8.48%</b>				

Asset transfer provision for transfer of assets from other carrier: none

The Fidelity Capital & Income, Mid-Cap Stock, Low-Priced Stock, Small Cap Stock and Diversified International funds may charge a short-term trading fee.

The Low-Priced Stock fund charges 1.50% on shares held less than 90 days, the Small Cap Stock fund charges 2.00% on shares held less than 90 days and the Diversified International fund charges 1.00% on shares held less than 30 days.

\* In accordance with the requirements of the operating provisions of the 403(b) Program, Fidelity Investments will deduct a quarterly fee to all accounts on file beginning fourth quarter 2002. The purpose of this fee is to pay expenses associated with the 403(b) Program's limited scope third party administrator.

\*\* FMR Co. has voluntarily agreed to reimburse shareholders a portion of the funds' management fee. This agreement can be terminated at any time. Without this reimbursement, each fund's yield would have been lower.

Although the information contained above has been carefully verified, its accuracy cannot be guaranteed. All numbers are unaudited.

THE HARTFORD								
		Return on Investments (net of expenses)			Operating Expenses			
Level of Risk	Investment Options	10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E	Management Fees	Other Expenses	Total Expenses
Low	Hartford Bond HLS	0.91%	6.93%	7.94%	0.850%	0.470%	0.040%	1.360%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
	General (Declared Rate) Account*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medium	Franklin Mutual Shares	11.46%	25.11%	4.99%	0.850%	0.590%	0.580%	2.020%
	Hartford Dividend and Growth HLS	13.68%	25.72%	0.58%	0.850%	0.650%	0.040%	1.540%
	MFS Value	13.70%	23.64%	- 1.11%	0.850%	0.600%	0.650%	2.100%
	<b>Russell 1000 Value Index</b>	<b>14.19%</b>	<b>30.03%</b>	<b>1.22%</b>				
	Hartford Advisers HLS	8.25%	17.49%	- 1.71%	0.850%	0.630%	0.040%	1.520%
	<b>50% S&amp;P 500 + 50% LBAGG Index</b>	<b>6.15%</b>	<b>16.00%</b>	<b>2.13%</b>				
	Van Kampen Equity Income	9.18%	21.13%	2.20%	0.850%	0.360%	0.460%	1.670%
	<b>60% S&amp;P 500 + 40% LBAGG Index</b>	<b>7.34%</b>	<b>18.47%</b>	<b>0.95%</b>				
High	Hartford Capital Appreciation HLS	18.34%	41.17%	1.22%	0.850%	0.640%	0.050%	1.540%
	Hartford Index HLS	11.81%	27.05%	- 5.30%	0.850%	0.400%	0.040%	1.290%
	Hartford Stock HLS	12.36%	25.40%	- 6.41%	0.850%	0.460%	0.030%	1.340%
	MFS Capital Opportunities	10.26%	26.33%	- 13.45%	0.850%	0.750%	0.480%	2.080%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 6.05%</b>				
	Hartford Midcap HLS	13.43%	36.51%	3.53%	0.850%	0.680%	0.040%	1.570%
	MFS Midcap Growth	10.23%	36.82%	- 17.32%	0.850%	0.750%	0.630%	2.230%
	<b>Russell Midcap Growth Index</b>	<b>12.16%</b>	<b>42.71%</b>	<b>- 6.13%</b>				
	Hartford Small Company HLS	14.38%	54.55%	- 3.38%	0.850%	0.730%	0.040%	1.620%
	Invesco Small Company Growth	9.32%	32.37%	- 10.95%	0.850%	0.670%	0.830%	2.350%
	<b>Russell 2000 Growth Index</b>	<b>12.68%</b>	<b>48.54%</b>	<b>- 2.03%</b>				
	Invesco Financial Services	11.69%	28.40%	- 1.44%	0.850%	0.660%	0.740%	2.250%
	<b>S&amp;P Financial Services Sector Index</b>	<b>11.83%</b>	<b>31.03%</b>	<b>0.61%</b>				
	Invesco Leisure	13.55%	29.21%	3.81%	0.850%	0.690%	0.810%	2.350%
	<b>S&amp;P Consumer Discretionary Sector Index</b>	<b>14.41%</b>	<b>37.41%</b>	<b>2.47%</b>				
	Janus Adviser Worldwide	12.38%	21.79%	- 11.24%	0.850%	0.650%	0.550%	2.050%
	<b>MS World Index</b>	<b>14.37%</b>	<b>33.76%</b>	<b>- 3.51%</b>				
	MFS Massachusetts Investors Growth Stock	7.37%	21.61%	- 13.67%	0.850%	0.330%	0.590%	1.770%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				
	Templeton Foreign	11.57%	29.41%	2.29%	0.850%	0.610%	0.610%	2.070%
	<b>MS EAFE Index</b>	<b>17.11%</b>	<b>39.17%</b>	<b>- 2.57%</b>				

Asset transfer provision for transfer of assets from other carrier: lesser of 2% or actual deferred sales charge/surrender charge

\* The Declared Rate is credited through the close of the calendar year on contributions received during the designated calendar quarter. The rate for the 1st quarter, 2004, is 4.00%. For contributions received prior to January 1, 2004, the Declared Rate is 4.00%. Rates quoted are effective annual yields.

ING FINANCIAL ADVISERS, LLC								
Level of Risk	Investment Options	Return on Investments (net of expenses)			Operating Expenses			
		10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E*	Management Fees	Other Expenses	Total Expenses
Low	ING Fixed Plus**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	ING VP Bond Portfolio	0.82%	5.24%	6.71%	1.000%	0.400%	0.090%	1.490%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
	ING VP Money Market Portfolio	- 0.01%	- 0.11%	1.13%	1.000%	0.250%	0.090%	1.340%
	<b>91-Day Treasury Bills</b>	<b>0.23%</b>	<b>1.01%</b>	<b>1.97%</b>				
	Janus Aspen Series Flexible Income Portfolio	0.30%	5.34%	7.11%	1.000%	0.610%	0.050%	1.660%
	<b>LB Government/Credit Bond Index</b>	<b>- 0.03%</b>	<b>4.67%</b>	<b>8.04%</b>				
Medium	ING VP Balanced Portfolio, Inc.	7.12%	17.69%	- 0.30%	1.000%	0.500%	0.100%	1.600%
	<b>60% S&amp;P 500 + 40% LBAGG Index</b>	<b>7.34%</b>	<b>18.47%</b>	<b>0.95%</b>				
	Janus Aspen Series Balanced Portfolio	6.59%	12.92%	- 0.43%	1.000%	0.650%	0.020%	1.670%
	<b>50% S&amp;P 500 + 50% LBAGG Index</b>	<b>6.15%</b>	<b>16.00%</b>	<b>2.13%</b>				
High	Fidelity VIP Growth Portfolio	10.90%	31.53%	- 9.47%	1.000%	0.580%	0.090%	1.670%
	<b>Russell 3000 Growth Index</b>	<b>10.58%</b>	<b>30.97%</b>	<b>- 8.84%</b>				
	FTVIP Franklin Small Cap Value Securities Fund	17.35%	30.81%	9.80%	1.000%	0.590%	0.420%	2.010%
	<b>Russell 2000 Value Index</b>	<b>16.37%</b>	<b>46.03%</b>	<b>13.83%</b>				
	ING MFS Capital Opportunities Portfolio	10.17%	26.80%	- 13.24%	1.000%	0.650%	0.250%	1.900%
	ING VP Index Plus Large Cap Portfolio	11.71%	24.89%	- 6.03%	1.000%	0.350%	0.100%	1.450%
	ING VP Value Opportunity Portfolio	12.09%	23.36%	- 6.82%	1.000%	0.600%	0.120%	1.720%
	Lord Abbot Growth and Income Portfolio	13.40%	29.71%	- 0.94%	1.000%	0.500%	0.460%	1.960%
	Pioneer Fund VCT Portfolio	12.10%	22.53%	- 4.65%	1.000%	0.650%	0.150%	1.800%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 4.05%</b>				
	ING VP Index Plus MidCap Portfolio	12.56%	31.13%	3.69%	1.000%	0.400%	0.130%	1.530%
	<b>S&amp;P MidCap 400 Index</b>	<b>13.18%</b>	<b>35.59%</b>	<b>4.83%</b>				
	ING VP International Value Portfolio	12.36%	28.63%	- 1.96%	1.000%	1.000%	0.000%	2.000%
	<b>MS EAFE Index</b>	<b>17.11%</b>	<b>39.17%</b>	<b>- 2.57%</b>				
	ING VP Small Company Portfolio	10.71%	36.10%	2.12%	1.000%	0.750%	0.120%	1.870%
	<b>Russell 2000 Index</b>	<b>14.52%</b>	<b>47.25%</b>	<b>6.27%</b>				
	Janus Aspen Series Mid Cap Growth	10.77%	33.76%	- 16.99%	1.000%	0.650%	0.020%	1.670%
	<b>Russell Midcap Growth Index</b>	<b>12.16%</b>	<b>42.71%</b>	<b>- 6.13%</b>				
	Janus Aspen Series Growth Portfolio	12.79%	30.42%	- 10.91%	1.000%	0.650%	0.020%	1.670%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				
	Oppenheimer Global Securities Fund / VA	16.58%	41.60%	- 1.68%	1.000%	0.650%	0.020%	1.670%
	<b>MS World Index</b>	<b>14.37%</b>	<b>33.76%</b>	<b>- 3.51%</b>				

Asset transfer provision for transfer of assets from other carrier: none

\* M&E expenses are expected to decrease as the level of total 403(b) assets increases under the State contract.

\*\* The interest rate varies monthly. For January 2004, the rate is 4.00%. The rate is guaranteed to be no less than 3.80% through December 31, 2004. No annual maintenance fee.



OLDHAM RESOURCE MUTUAL, INC.								
		Return on Investments (net of expenses)			Operating Expenses			
Level of Risk	Investment Options	10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E	Management Fees	Other Expenses	Total Expenses
Low	Fidelity U.S. Bond Index	0.42%	4.41%	7.22%	0.500%	0.320%	0.000%	0.820%
	PIMCO Total Return D	0.55%	4.69%	7.53%	0.500%	0.750%	0.000%	1.250%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
	Fidelity Money Market	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Safeco Preference FP Fixed*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	<b>91-Day Treasury Bills</b>	<b>0.23%</b>	<b>1.01%</b>	<b>1.97%</b>				
Medium	Merger	3.10%	11.06%	1.89%	0.500%	1.380%	0.000%	1.880%
	Pax World Balanced	7.45%	16.77%	- 1.45%	0.500%	0.950%	0.000%	1.450%
	Oakmark Equity & Income	9.07%	22.71%	11.97%	0.500%	0.960%	0.000%	1.460%
	<b>60% S&amp;P 500 + 40% LBAGG Index</b>	<b>7.34%</b>	<b>18.47%</b>	<b>0.95%</b>				
High	Clipper	9.15%	18.85%	7.03%	0.500%	1.070%	0.000%	1.570%
	<b>Russell 1000 Value Index</b>	<b>14.19%</b>	<b>30.03%</b>	<b>1.22%</b>				
	Jensen	10.86%	16.08%	0.76%	0.500%	0.900%	0.000%	1.400%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				
	Artisan Mid Cap Value	13.98%	36.33%	N/A	0.500%	1.950%	0.000%	2.450%
	FAM Value	11.13%	24.48%	10.34%	0.500%	1.210%	0.000%	1.710%
	<b>Russell Midcap Value Index</b>	<b>15.22%</b>	<b>38.07%</b>	<b>8.48%</b>				
	Dreyfus Mid Cap Index	12.95%	34.44%	3.82%	0.500%	0.500%	0.000%	1.000%
	<b>S&amp;P Mid Cap 400 Index</b>	<b>13.18%</b>	<b>35.59%</b>	<b>4.83%</b>				
	AXA Rosen US Small Cap Inv	15.37%	39.51%	12.87%	0.500%	1.490%	0.000%	1.990%
	<b>Russell 2000 Index</b>	<b>14.52%</b>	<b>47.25%</b>	<b>6.27%</b>				
	Royce Total Return	11.54%	29.49%	13.15%	0.500%	1.200%	0.000%	1.700%
	<b>Russell 2000 Value Index</b>	<b>16.37%</b>	<b>46.03%</b>	<b>13.83%</b>				
	Needham Small Cap Growth	11.55%	61.74%	N/A	0.500%	2.500%	0.000%	3.000%
	Needham Growth	7.04%	46.84%	5.32%	0.500%	1.750%	0.000%	2.250%
	<b>Russell 2000 Growth Index</b>	<b>12.68%</b>	<b>48.54%</b>	<b>- 2.03%</b>				
	Third Avenue International Value	17.63%	54.18%	NA	0.500%	1.750%	0.000%	2.250%
	<b>MS EAFE Index</b>	<b>17.11%</b>	<b>39.17%</b>	<b>- 2.57%</b>				
	Gabelli Global Growth	11.19%	40.89%	- 7.41%	0.500%	1.750%	0.000%	2.250%
	<b>MS World Index</b>	<b>14.37%</b>	<b>33.76%</b>	<b>- 3.51%</b>				
	Third Avenue Real Estate Value	12.41%	36.84%	18.67%	0.500%	1.220%	0.000%	1.720%
	<b>Wilshire REIT Index</b>	<b>9.28%</b>	<b>37.06%</b>	<b>15.84%</b>				

Asset transfer provision for transfer of assets from other carrier: none

\* Premium payments will be credited with the effective interest rate established for the date each payment is received. The current rate as of December 31, 2003, is 3.2%. The effective rate reflects the effects of daily compounding of interest. The minimum annual effective rate guarantee is 3.00%.



TIAA - CREF								
		Return on Investments (net of expenses)*			Operating Expenses			
Level of Risk	Investment Options	10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E	Management Fees	Other Expenses	Total Expenses
Low	CREF Bond Market Account	0.32%	4.33%	7.42%	0.285%	0.110%	0.045%	0.440%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
	CREF Inflation-Linked Bond Account	1.53%	7.61%	10.46%	0.285%	0.110%	0.045%	0.440%
	<b>Citi US Inflation-Linked Securities Index</b>	<b>1.47%</b>	<b>8.26%</b>	<b>10.89%</b>				
	CREF Money Market Account	0.18%	0.75%	2.09%	0.285%	0.060%	0.045%	0.390%
	<b>91-Day Treasury Bills</b>	<b>0.23%</b>	<b>1.01%</b>	<b>1.97%</b>				
	TIAA Traditional Annuity**	0.81%	4.12%	6.27%	N/A	N/A	N/A	N/A
Medium	CREF Social Choice Account	7.14%	19.56%	1.13%	0.285%	0.110%	0.045%	0.440%
	<b>60% Russell 3000 + 40% LBAGG Index</b>	<b>7.49%</b>	<b>19.80%</b>	<b>1.57%</b>				
	TIAA Real Estate Account***	2.59%	6.59%	6.13%	0.350%	0.265%	0.075%	0.690%
	<b>NCREIF Index***</b>	<b>1.97%</b>	<b>7.84%</b>	<b>7.87%</b>				
High	CREF Equity Index Account	12.27%	30.34%	- 3.45%	0.285%	0.110%	0.045%	0.440%
	CREF Stock Account	13.00%	31.97%	- 3.42%	0.285%	0.150%	0.045%	0.480%
	<b>Russell 3000 Index</b>	<b>12.43%</b>	<b>31.06%</b>	<b>- 3.08%</b>				
	CREF Global Equities Account	14.29%	33.57%	- 5.59%	0.285%	0.200%	0.045%	0.530%
	<b>MS World Index</b>	<b>14.37%</b>	<b>33.76%</b>	<b>- 3.51%</b>				
	CREF Growth Account	10.11%	27.75%	- 11.68%	0.285%	0.170%	0.045%	0.500%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				

Asset transfer provision for transfer of assets from other carrier: none

\* In accordance with the requirements of the operating provisions of the 403(b) Program, TIAA-CREF will assess a fee for each active account on a monthly basis beginning December 2002. The purpose of this fee is to pay expenses associated with the 403(b) Program's limited scope third party administrator.

\*\* Rates for the TIAA Traditional Annuity are quoted after all operation charges have been deducted. These charges are very low, averaging about 1/3 of 1% of assets. New contributions applied to the TIAA Traditional Annuity under a Group Supplemental Retirement Annuity (GSRA) contract during the period from January 1, 2004 through February 29, 2004, will be credited with an interest rate of 3.25%.

\*\*\* TIAA Real Estate Account and the NCREIF Index returns are presented one quarter in arrears due to a lag in the availability of the benchmark return.

TRAVELERS LIFE & ANNUITY								
Level of Risk	Investment Options	Return on Investments (net of expenses)			Operating Expenses			
		10/1/03 - 12/31/03	1 Year	Annualized 3 Years	Admin./ M&E	Management Fees	Other Expenses	Total Expenses
Low	Fixed Income*	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Travelers Money Market Portfolio	0.02%	0.18%	1.36%	0.600%	0.360%	0.040%	1.000%
	<b>91-Day Treasury Bills</b>	<b>0.23%</b>	<b>1.01%</b>	<b>1.97%</b>				
	Travelers Quality Bond Portfolio	0.45%	6.35%	6.00%	0.600%	0.380%	0.060%	1.040%
	<b>LB Aggregate Bond Index</b>	<b>0.32%</b>	<b>4.10%</b>	<b>7.57%</b>				
	Travelers U.S. Government	- 0.59%	2.13%	6.66%	0.600%	0.380%	0.060%	1.040%
	<b>ML US Treasury/Agency Master Index</b>	<b>- 0.37%</b>	<b>2.36%</b>	<b>6.88%</b>				
Medium	Equity Income Portfolio (Fidelity)	12.30%	30.39%	1.17%	0.600%	0.750%	0.030%	1.380%
	<b>Russell 3000 Value Index</b>	<b>14.35%</b>	<b>31.14%</b>	<b>2.09%</b>				
	MFS Total Return	6.82%	15.84%	2.73%	0.600%	0.800%	0.030%	1.430%
	<b>60% S&amp;P 500 Index + 40% LBAGG Index</b>	<b>7.34%</b>	<b>18.47%</b>	<b>0.95%</b>				
	Smith Barney Appreciation Portfolio	10.51%	23.82%	- 1.05%	0.600%	0.750%	0.020%	1.370%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 4.05%</b>				
High	AIM V.I. Premier Equity Fund	10.21%	24.33%	- 9.18%	0.600%	0.610%	0.240%	1.450%
	Equity Index Portfolio - Class II	11.81%	26.98%	- 5.14%	0.600%	0.260%	0.300%	1.160%
	Fidelity VIP Contrafund S2	11.25%	27.43%	- 0.13%	0.600%	0.580%	0.320%	1.500%
	<b>S&amp;P 500 Index</b>	<b>12.17%</b>	<b>28.67%</b>	<b>- 4.05%</b>				
	Dreyfus VIF Developing Leaders Portfolio	11.57%	30.91%	- 0.60%	0.600%	0.750%	0.060%	1.410%
	<b>Russell 2000 Index</b>	<b>14.52%</b>	<b>47.25%</b>	<b>6.27%</b>				
	Janus Capital Appreciation	11.31%	24.17%	- 12.10%	0.600%	0.810%	0.030%	1.440%
	<b>Russell 1000 Growth Index</b>	<b>10.41%</b>	<b>29.75%</b>	<b>- 9.36%</b>				
	Large Cap Portfolio (Fidelity)	10.70%	23.92%	- 7.89%	0.600%	0.750%	0.060%	1.410%
	<b>S&amp;P 500 Growth Index</b>	<b>9.93%</b>	<b>25.66%</b>	<b>- 5.72%</b>				
	MFS Mid Cap Growth	10.09%	36.24%	- 19.29%	0.600%	0.860%	0.070%	1.530%
	<b>Russell Midcap Growth Index</b>	<b>12.16%</b>	<b>42.71%</b>	<b>- 6.13%</b>				
	Putnam VT International Growth - IB	14.46%	27.76%	- 5.99%	0.600%	0.770%	0.470%	1.840%
	<b>MS EAFE Index</b>	<b>17.11%</b>	<b>39.17%</b>	<b>- 2.57%</b>				
	Putnam VT Small Cap Value - IB	19.50%	48.75%	12.38%	0.600%	0.800%	0.370%	1.770%
	<b>Russell 2000 Value Index</b>	<b>16.37%</b>	<b>46.03%</b>	<b>13.83%</b>				
	Salomon Brothers Variable All Cap Portfolio	13.40%	38.21%	1.41%	0.600%	0.850%	0.120%	1.570%
	<b>Russell 3000 Index</b>	<b>12.43%</b>	<b>31.06%</b>	<b>- 3.08%</b>				
	Salomon Brothers Variable Investors	13.51%	31.54%	- 1.40%	0.600%	0.700%	0.110%	1.410%
	<b>S&amp;P 500 Value Index</b>	<b>14.45%</b>	<b>31.79%</b>	<b>- 2.71%</b>				
	Smith Barney Aggressive Growth Portfolio	9.88%	33.71%	- 5.14%	0.600%	0.800%	0.030%	1.430%
	<b>Russell 3000 Growth Index</b>	<b>10.58%</b>	<b>30.97%</b>	<b>- 8.84%</b>				
	Travelers Disciplined Mid Cap	12.52%	32.96%	2.60%	0.600%	0.760%	0.090%	1.450%
	<b>Russell Midcap Index</b>	<b>13.97%</b>	<b>40.06%</b>	<b>3.47%</b>				

Asset transfer provision for transfer of assets from other carrier: lesser of 2% or actual deferred sales charge/surrender charge

\* Interest rate varies quarterly. The rate for the fourth quarter of 2003 is 3.40%.